GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7301
ANSWERED ON:12.05.2000
LONAS BY FINANCIAL INSTITUTIONS
AVTAR SINGH BHADANA

Will the Minister of FINANCE be pleased to state:

(a) whether any guidelines have been fixed for financial institutions in regard to consideration of applications of small entrepreneurs for granting the loans to enable them to set up their industries;

(b) if so,the details thereof; and

(c) whether the Government are aware that different procedures are being adopted in respect of different categories of entrepreneurs; and

(d) if so, the reasons for giving such differential treatment to the entrepreneurs?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRi BALASAHEB VIKHE PATH) :

(a) to (d) The decision regarding financing a particular economic activity or category of entrepreneur is taken by Financial Institutions themselves based on their commercial judgement and the lending policy laid down by their respective boards within the framework of prudential reguiations and exposure norms prescribed by Reserve Bank of India (RBI)from time to time. There is no discrimination with regard to lending against any particular category of borrowers/entrepreneurs. All those projects which are financially viable and where the creditworthiness of the borrowers is sound are financed.